

To: IPMA Members' Representatives
IPMA Legal & Documentation Committee

Cc: IPMA Pricing Supplement Working Group
Capital Markets Lawyers
Lawyers – General Distribution

IPMA PRO FORMA 'FINAL TERMS' FOR MEDIUM TERM NOTE PROGRAMMES

IPMA attaches *final draft* pro forma Final Terms for Medium Term Note and Debt Issuance Programmes, with usage notes, drawn from the requirements of the EU Prospectus Directive and the EU Prospectus Regulation which implements the Prospectus Directive.

The Prospectus Directive provides that if the final terms of an offer are not included in the base prospectus for a debt programme, or a supplement to it, they should be provided to investors and filed with the competent authority when each public offer is made as soon as practicable and if possible in advance of the beginning of the offer (Article 5(4)). The Prospectus Regulation provides that the final terms shall only contain the information items from the various securities note schedules according to which the base prospectus is drawn up (Article 22 (4)). It also requires base prospectuses to indicate which information will be included in the final terms (Article 22 (5) (1)).

There are two pro formas attached: a form for debt securities with a denomination of less than EUR 50,000, based on the requirements of Annex V of the Prospectus Regulation, and a form for debt securities with a denomination of at least EUR 50,000, based on Annex XIII. The forms are annotated accordingly.

IPMA is circulating these forms to assist the market with the implementation of the requirements of the Directive and the Regulation. They are an assessment of the requirements. We are publishing them as final drafts because they will be subject to change as actual practice develops. The pro formas have not been approved by any competent authority. They are neither a 'maximum' nor a 'minimum' in terms of content. It is for issuers and their advisers to decide how to comply with the requirements in the context of their programmes and draw downs under them.

IPMA has prepared the pro formas with the help of its Members and a group of leading City of London capital markets law firms. IPMA is very grateful to all those who have participated in this project.

IPMA also expects to circulate in due course a pro forma pricing supplement (or final terms) for issues under Programmes which are neither listed nor admitted to trading on an EU regulated market, and a pro forma for issues which are admitted to trading on the London Stock Exchange's Professional Securities' Market. IPMA is retaining its existing pro forma Debt Programme Pricing Supplement (last revised in June 2003).

If you have any questions, please do not hesitate to contact Mary Hustings (mhustings@ipma.org.uk).

26th May 2005